SPECIAL ASSESSMENT: Key Foreign Reactions to Various Possible US Courses of Action Against Iran

THE PROBLEM

To assess how the Khomeini regime, other Gulf states, other Islamic states, Western Europe and Japan, and the USSR would react to various possible US courses of action against Iran, specifically:

- -- A US embargo on exports to Iran, coupled with diplomatic efforts to persuade other industrial countries to impose parallel embargoes.
- -- US mining of Iranian ports, except Kharg Island; including Kharg Island.
- -- US blockage of Iranian ports, except Kharg Island; including Kharg Island.
- US air attacks on oil shipment facilities, refingeries, military installations, or government buildings.

For purposes of this assessment, it is assumed that the US undertakes these actions <u>seriatim</u>, and that air attacks will not be employed unless hostages are killed.

KEY JUDGMENTS

- 1. None of the postulated courses of US action is likely to induce Khomeini to order the release of the hostages. He sees the crisis, and its escalation, as serving his domestic purposes. Furthermore, the hostages' militant captors see their aims advanced by a continuing or or deepened crisis and are not under Khomeini's full control. The effect, if any, inside Iran of the postulated US actions would be to increase the danger to the hostages.
- 2. The governments of <u>Arab oil-producing states</u> -- fearful of Khomeini but vulnerable to his domestic sympathizers -- would experience increasing ambivalence. As the US moved from economic measures to mining or blockade, they would adopt a stance more critical of the US.

TOP SECRET Approved For Release 2008/09/28/NOIANTENRE 1B00401R000500130032-1

Even in the wake of air strikes, however, Saudi Arabia and Iraq would not bring the oil weapon into play. The danger here is that, if the crisis dragged on inconclusively beyond this point, domestic pressures could force them down this road. Saudi Arabia would feel particularly nervous about such pressures. Apart from these political problems, considerations of military risk might reduce oil shipments from Gulf producers.

- 3. NATO members would not be likely to join in a US economic embargo of Iran, but neither would they condemn it. They would perceive little difference between mining and blockade and, if these were undertaken, they would probably withhold public support and become increasingly critical. Air attacks following upon the killing of hostages would receive some sympathy but would not be condoned and probably would not generate supporting European actions. Japanese reaction to the spectrum of postulated courses of action would be less supportive then European, and the LDP would be in trouble.
- 4. Among non-Arab Islamic states, <u>Nigeria</u>, which supplies over 15 percent of US oil imports, would show concern over US military as opposed to economic measures but would stay some distance behind Arab oil producers in taking any anti-US actions. In a prolonged crisis in which the Arabs did move against the US, this gap would tend to close. The governments of <u>Malaysia and Indonesia</u> face volatile Muslim elements which, in the context of US military action, could generate pressures to close the Straits of Malacca to US naval transit from its Philippine bases.
- 5. Provided that the US actions failed to coerce Tehran and did not appear threatening to the USSR, the <u>Soviets</u> would see advantage to themselves from the deepening of Iranian hostility toward Washington and the resulting strains on US relations with many other states. The Soviet response to any of these US options, including military ones, would fall far short of direct engagement of US forces, but Moscow would seek, through a combination of declaratory posturing and demonstrative military moves, to lay the basis for a later claim that Soviet actions had caused the US to back down. The opportunities for improving the Soviet position in Iran and discrediting the US would outweigh, in Soviet eyes, whatever damage to detente the Soviets might expect their reaction to entail.
- 6. These judgments portray an increasing isolation of the US as it moves up the escalatory ladder against Iran. The strength of this phenomenon, however, would be affected to a considerable degree by the style of US policy: its willingness to consult with others, to forewarn them, and to sustain an image of measured and responsible determination. Long-term reactions would be heavily influenced by foreign perceptions of the nature of actual US objectives and whether these had been achieved.

MEMORANDUM FOR:

Date